

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

v.

JUSTINAS BUTKUS,
a/k/a "Darius Karpavicius,"

Defendant.

INDICTMENT

25 Cr.

25 CRIM

100

COUNT ONE

(Securities Fraud)

The Grand Jury charges:

1. From at least in or about 2021 through at least in or about September 2022, JUSTINAS BUTKUS, a/k/a "Darius Karpavicius," the defendant, engaged in a scheme to defraud dozens of investors in TBO Capital Group, which purported to operate in New York, New York, and to offer a mutual fund. TBO Capital Group's website claimed that the mutual fund was managed by financial professionals and had annual returns greater than 50 percent each year. In actuality, the mutual fund and industry professionals that purported to operate it did not exist. The investments sold by TBO Capital Group were similarly illusory: none of the investors' funds went toward the purchase of securities.

2. Instead of investing the money as advertised, JUSTINAS BUTKUS, a/k/a "Darius Karpavicius," the defendant, misappropriated the money sent by investors, including by transferring funds—often in cryptocurrency transactions—to accounts in the name of his alias, "Darius Karpavicius." To withdraw the funds from banks and cryptocurrency trading platforms, the defendant used a forged foreign passport with the "Darius Karpavicius" identity. To induce his victims to continue to invest their money, the defendant paid certain investors monthly dividend

payments, which were not the result of profitable securities transactions, but were actually payments made from funds the defendant obtained from new investors in the supposed mutual fund.

Statutory Allegations

3. From at least in or about 2021 through at least in or about September 2022, in the Southern District of New York and elsewhere, JUSTINAS BUTKUS, a/k/a “Darius Karpavicius,” the defendant, willfully and knowingly, directly and indirectly, by use of a means and instrumentality of interstate commerce and of the mails, and a facility of a national securities exchange, used and employed, in connection with the purchase and sale of a security, a manipulative and deceptive device and contrivance, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by (a) employing a device, scheme, and artifice to defraud; (b) making and causing to be made an untrue statement of a material fact and omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (c) engaging in an act, practice, and course of business which operated and would operate as a fraud and deceit upon a person, to wit, BUTKUS engaged in a scheme to defraud investors by making and causing others to make false and misleading statements to investors and prospective investors in the supposed mutual fund that BUTKUS controlled, and by diverting those investors’ funds for his personal use and for other unauthorized purposes.

(Title 15, United States Code, Sections 78j(b) and 78ff;
Title 17, Code of Federal Regulations, Section 240.10b-5; and
Title 18, United States Code, Section 2.)

COUNT TWO

(Wire Fraud)

The Grand Jury further charges:

4. The allegations contained in paragraphs 1 and 2 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

5. From at least in or about 2021 through at least in or about September 2022, in the Southern District of New York and elsewhere, JUSTINAS BUTKUS, a/k/a “Darius Karpavicius,” the defendant, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, BUTKUS participated in a scheme to defraud investors by diverting investor funds for his personal use and for other unauthorized purposes and by making and causing others to make false and misleading statements to investors regarding the use of their funds, including through the use of interstate wires, some of which passed through the Southern District of New York, such as the solicitation of a victim investor, who, while in New York, New York, both reviewed fraudulent solicitation materials online and, in response to that solicitation, electronically wired an investment.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT THREE

(False Use of a Passport)

The Grand Jury further charges:

6. The allegations contained in paragraphs 1 and 2 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

7. From at least in or about 2021 through at least in or about September 2022, in the Southern District of New York and elsewhere, JUSTINAS BUTKUS, a/k/a “Darius Karpavicius,” the defendant, did falsely make, forge, counterfeit, mutilate, and alter a passport and instrument purporting to be a passport, with intent that the same may be used, and willfully and knowingly did use, and attempt to use, and furnish to another for use such false, forged, counterfeited, mutilated, and altered passport and instrument purporting to be a passport, and a passport validly issued which has become void by the occurrence of any condition therein prescribed invalidating the same, to wit, BUTKUS possessed a passport issued by the Republic of Lithuania that purported to belong to “Darius Karpavicius” but bore BUTKUS’s photograph, and BUTKUS used that passport to open accounts and to conduct transactions in furtherance of the offenses charged in Counts One and Two of this Indictment.

(Title 18, United States Code, Sections 1543 and 2.)

FORFEITURE ALLEGATIONS

8. As a result of committing the offenses alleged in Counts One and Two of this Indictment, JUSTINAS BUTKUS, a/k/a “Darius Karpavicius,” the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

9. As a result of committing the offense alleged in Count Three of this Indictment, JUSTINAS BUTKUS, a/k/a “Darius Karpavicius,” the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(6), all conveyances, including any vessel,

vehicle, or aircraft, used in the commission of said offense; all property, real and personal, that constitutes or is derived from or is traceable to the proceeds obtained directly or indirectly from the commission of the offense; and all property, real or personal, that was used to facilitate, or was intended to be used to facilitate, the commission of said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense.

Substitute Assets Provision

10. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981;
Title 21, United States Code, Section 853; and
Title 28, United States Code, Section 2461.)



FOREPERSON

MATTHEW PODOLSKY
Acting United States Attorney